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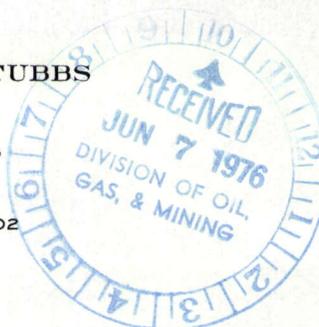
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 COUNSEL

June 3, 1976

Nuclear Regulatory Commission  
 Washington, D.C. 20555

Attention: Mr. Ross Scarano

Utah Department of Natural Resources  
 Division of Oil, Gas and Mining  
 1588 West North Temple  
 Salt Lake City, Utah 84116

Attention: Mr. Cleon B. Feight

Re: Atlas Corporation-Moab, Utah Mill  
 Tailings Pond Stabilization and Monitoring

Gentlemen:

In accordance with our telephone discussions on May 29, 1976, I have prepared and enclose for your consideration a proposed form of letter "agreement" to be executed by the Utah Department of Natural Resources, Division of Oil, Gas and Mining and approved by the Nuclear Regulatory Commission ("NRC").

In summary, the agreement outlines the understandings and division of responsibility among Atlas Corporation, NRC, and the Division of Oil, Gas and Mining with respect to the reclamation, stabilization, maintenance and monitoring of the tailings pond and mill site at Atlas Corporation's Moab, Utah mill when active operations are terminated in the future. The major features of such arrangements would be as follows:

(a) Atlas Corporation ("Atlas") will carry out, at its sole expense, reclamation and stabilization operations on the tailings pond and mill site in accordance with Alternative III of the Dames and Moore study of August 15, 1975, as modified by the Utah Division of Oil, Gas and Mining.

**CIRCULATE TO:**

- DIRECTOR -----
- PETROLEUM ENGINEER -----
- MINE COORDINATOR -----
- ADMINISTRATIVE ASSISTANT -----
- ALL -----

RETURN TO \_\_\_\_\_  
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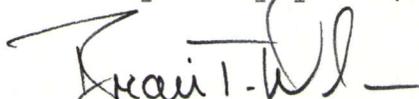
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Utah Department of Natural Resources  
June 3, 1976  
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(b) Atlas and the Utah Division of Oil, Gas and Mining will make arrangements in accordance with Utah Revised Statutes (1953) Section 40-8-14 for a suitable surety arrangement to assure Atlas' performance of such reclamation.

(c) The Utah Division of Oil, Gas and Mining will advise the Nuclear Regulatory Commission that in accordance with state law, at state expense, it will conduct such future monitoring and maintenance activities as may be required with respect to such tailings pond and mill site.

After you have had an opportunity to review this proposal, please let me have your suggestions and comments on the draft and your thoughts on how we can proceed to implement this arrangement.

Very truly yours,



Brian T. Dolan  
for DAVIS, GRAHAM & STUBBS

BTD:da  
Enclosure

cc. A. E. Dearth  
William Badger